Finance (Pension) (1952) Department.

Mc. SERIES.

G.O. No. 1216

Dated 1.11.1952

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[Despatch Abstract.]

Re Madras Contributory Provident Fund - Pension - Insurance Rules 1950 - Policies which mature before date of superannuation - Instructions issued - Note under rule 27 - Amended.

GOVERNMENT OF MADRAS.
ABSTRACT.

The MadrasContributory Provident Fund - Pension - Insurance Rules, 1950 - Policies which mature before date of superannuation - Instructions issued - Note under Rule 27 - Amended.

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Finance (Pension) Department.

G.O.Ms.No.1416. Dated 1st November 1952.
Read the following:-

G.O.No.365, Finance (Pension ), dated 29.3.1950.
G.O.No.599, Finance (Pension) , dated 12-5-1951.
G.O.No.1279, Finance (Pension), dated 28.11.1951.

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O R D E R:

An Insurance policy to be taken out by a Government servant under the Madras Contributory Provident Fund-Pension-Insurance Rules, 1950, should be such that the amount of ~~the sum~~ insurance is payable only on or after the date of his attaining the age of superannuation or at his death whichever is earlier. Policies taken out prior to 6-9-1950 which will become payable while in service may, however, be accepted, provided that if the policy is financed from the Government servants private resources, he deposits the policy with the Accountant-General and also gives an undertaking in the Form set forth in the sixth schedule, that he will, on the maturity of the policy, draw the amount from the Insurance Company and remit it to the credit of his Contributory Provident Pension Fund. Policies taken out after 6.9.1950 cannot be accepted, unless they mature on or after the date of superannuation of the Government servants concerned. Some Heads of Departments have brought to the notice of Government cases wherein Government servants had taken up policies on or after 6.9.1950 which mature while in service and have represented that the rules might be relaxed in their favour in order to accept such policies. As it is likely that cases of this kind exist in many of the Offices, and as the number of such cases may be large, the Government have examined the question of amending the rules so as to remove the above restriction and to permit the acceptance of all policies which mature before the date of superannuation of the Government servant concerned irrespecitve of the date on which they are taken out, provided that an undertaking is obtained from the Government servants concerned, to the effect that the policy amount on maturity will be credited to the Provident Fund account as is now done in the case of policies taken before 6.9.1950.

2. The question as to the authority in whose custody the policies and the undertakings mentioned in para 1 above has also been considered by the Government in consultation with the Accountant-General. As the number of policies which will be ~~large, and as the Accountant-General considers that it will be~~ financed from the private resources of the subscriber will be large, and as the Accountant-General considers that it will not be possible for his Office to keep these policies together with the undertakings to be obtained from the concerned Government servants, in its custody, the Government direct that the undertakings ~~and the obtains~~ the policies in such cases be kept in the custody of the Head of the Office, if he is a non-gazetted Officer, or in the custody of the Head of the Department, if he is a gazetted Government servant. All Heads of Departments are also directed to keep an effective check on the credit of the maturity value to the provident fund account when the

policy matures in such c ses.

3. In order to avoid the possibility of the subscriber drawing a substantial portion or the whole amount of the insurance amount (which has been ciredited to the provident fund account) in the shape of two or three temporary and special advances from the fund, the Government direct that all Heads of Departm nts and other officers should, when dealing with applic tions for advances from the Provident Fund Account, satisf, themselves that the minimum amounts prescribed in rule 27 are kept in the Contributory Pension Provident Fund Account of the Government servant till the date of final closure of the account. The Accountant-General may, in such cases, refuse withdra l below the minimum amounts.

4. In accordance with the decision in para 2 abve, the Government direct that the certificate referred to in clause (3) in sub-paragraph (2) of p ragraph 5 in G.O.No.365, Finance, dated 28th March 1950 as amended by G.O.No.127 , Finance, dated 28th November 1951 shall be replaced by the following:--

"(3) that all insurance policies financed by the Govern nt servant himself and which mature before the date of super-annuation together with the undertaking obtained with reference to Note I under rule 27 are in his custody and are kept alive and unencumbered".

5. The following notific tion will be published in the Fort St.George Gazette:-

N O T I F I C A T I O N.

In exercise of the pow rs conferred by the proviso to Article 309 of the Constitution of India and of all other powers hereunto enabling, the Governor of Madras hereby makes the following amendment to the Madras Contributory Provident Fund-Pension-Insurance Rules, 1950.

A M E N D M E N T.

In rule 27 of the said rules, for the exi ting Note 1, the following Note shall be substitut d, namely:-

"Note 1. An insurance policy to be taken out by a Government servant under this rule may be a whole life policy with limited payments or endowment policy for limited periods, provided that the amount of insurance is payable only on or aft r the date of his attaining the age of superannuation or at his death, whichever is earlier. An Insurance policy taken out by a Government servant which will become payable while he is in service may, however, be accepted as sufficient for the purpose of this rule, provided that if the policy is financed from his private resources (and not from the Fund) he deposits the policy with the Head of the Office if he is a non-gazetted officer or with the Head of the Department if he is a gazetted Officer and also gives an undertaking in the Form set forth in the Sixth Schedule that he will, on the maturity of the policy, draw the amount from the Insurance Company and remit it to the credit of his Contributory Provident Pension Fund. The undertaking so given should be in the custody of the Head of the Office in the case of non-gazetted Government servants and of the Head of the Department in the case of gazetted Officers. In cases, where the maturity value of the policy became due for payment before the date of superannuation of the

Government servant, but could not be realised before the date of retirement for some reason or other, the policy shall be returned to the Government servant without insisting on the ciredit of the amount to the provident fund account. The Insurance amount credited to the provident fund account will carry interest as in the case of subscriptions to the Fund. If the amount drawn from the Insurance Company is greater than the minimum required under this rule, the Government servant may, if he so desires , remit to his credit in the Fund only the minimum required, and retain the balance with him. Whether a Government servant has drawn the amount while in service shall be checked in accordance with the procedure prescribed in rule 41. The Head of the office in the case of non-gazetted Government servants and the Head of the Department concerned in the case of gazetted Government servants shall, while sanctioning temporary and special advances from the Fund to these Government servants, satisfy themselves that the minimum amounts prescribed in rule 27 are left in the provident fund accounts after the value of the policy is credited to the Fund, till the date of final closure of the account. The Accountant-General may, in such cases, refuse withdrawals below the minimum amounts.

In cases where an insurance policy which is financed from the Fund matures before the date of superannuation of the subscriber, the amount required to be credited to the Fund will be the amount withdrawn from the fund with interest thereon or the minimum amount required under this rule, whichever is greater as provided in rule 38."

(BY ORDER OF ETC.)

T.E.Veeraraghavachari,
Deputy Secretary to Government.

To The Accountant-General, Madras.
To the Departments of the Secretariat.
To the Heads of Departments.
To the Secretary, Madras Public Service Commission.
To the Hon'ble Chief Justice.
To the Chairman, Tribunal for Disciplinary Proceedings.
To the Superintendent, Government Press, for publication of the Notification in the Fort St.George Gazette.

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/True copy/

R. Nagarajan 21.10.86
Superintendent,
Madras Record Office, Madras.

gh.9.10.